

A Look Inside Electronic Giving

By Deborah Matthews, AAP

It's a well-known fact that consumers are increasingly accepting of Internet-based commerce and electronic financial transactions. So, what does this mean for churches?

Times have changed for your church members, as have the ways in which they view money matters. Carrying a bulky checkbook has been replaced with a single debit card.

Similarly, contemporary life is often so busy that some people prefer the convenience and reliability of scheduling a recurring debit to meet their financial obligations. Now a church can receive by offering all forms of payment, making it easy and convenient for your members to give.

When's the Right Time?

E-giving is a win-win situation for churches and parishioners. Electronic giving allows donors to give how, when and where is most convenient for them. Opportunities might be missed because a parishioner is moved to make an offering, but might not have brought along cash or a check. E-giving creates an additional opportunity to accept from those who want to give.

An increasingly popular option with donors is to establish a recurring debit by designating a withdrawal against a credit or debit card, or to the donor's checking account. The recurring donation provides a convenient way for members to fulfill their spiritual commitments on a regular basis, even if they aren't present in your sanctuary.

There might be times when it's difficult to attend a service, whether it's because of bad weather, illness or a vacation. A recurring donation creates peace of mind for your donors; they know their contributions will be made, no matter what. Churches benefit because of the stability associated with an income stream with greater predictability.

Choose the Right Vendor

A number of payments processors work with faith-based organizations to facilitate safe and secure donations processing. It's important to select a reputable payment processor with a strong understanding of the regulatory requirements for credit and debit cards, as well as the Automated Clearing House (ACH) Rules that govern electronic check conversion.

Also, for your convenience, it's helpful to select a processor that accepts all payment types — credit/debit cards and check conversion — thereby eliminating the need to work with more than one company.

Where Do We Start?

Churches can create a customizable donation form that can be handed out, mailed, e-mailed or faxed to your congregation. The donors fill out this form with their payment information and send it back to you. Your staff can then enter the transaction data — single or recurring — into the processor's payments gateway for instant processing.

Once you enter a donor's personal and payment information, it should be securely stored so you may retrieve the account information in the future for additional donations, canceling/editing recurring transactions, or editing payment information.

There might still be a number of people who prefer to use a check, however, and you can still benefit by converting those checks to electronic transactions. This helps reduce your administrative burden and streamlines your accounting processes.

If you receive a large number of checks every month, adding a check reader/imager for easy check conversion will reduce the amount of time required to process the checks. It also helps ensure a higher level of accuracy. You'll no longer have to go to the bank to deposit checks, and some systems even store an image of each check for you!

How Tough Is All This?

Innovative technology has made this process easier than ever. Look for a processor that will work

with you to incorporate the technology to accept donations directly on your website. Church members will want to be confident that their donations are made at a website that's a part of your church's online presence.

A good question to ask when evaluating prospective processing service providers is if they can create a "transparent" e-commerce-enabled Web page, incorporating the look and feel of your existing website and preserving your church's branding.

Your members may simply link to the payment web page by clicking on a "Donate Now" button located on your home page (and any other website you specify). A donor can specify the recipient of the donation — (specific fund, tithe, school, "in memory of", etc. — and then proceed to choose a payment option, either electronic check or credit card.

Donors like the flexibility of choosing how often they'll give. They might opt to make a single donation or start their own recurring donation schedules: weekly, monthly, quarterly and so on. For added convenience, it's recommended that you incorporate a confirmation page, which can double as a tax-deductible receipt for the contribution and may be printed.

When selecting a payments processor to assist you with your e-giving program, ask about reporting tools. It's essential to good stewardship to effectively manage the incoming donations, so the levels of detail and customization are important considerations. In some cases, a processor might be able to integrate their electronic donation solution with your accounting software, creating even great efficiencies in financial administration.

Offering a variety of donation options helps keep your congregation strong and provides yet another way to engage members of your church. Make it easy for the faithful to contribute by expanding your payment options to include electronic giving.

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